

Message Text

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ORIGIN ARA-20

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CIAE-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

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DRAFTED BY ARA/EP/P:MRRFRECHETTE

APPROVED BY ARA-LA/EP:SMPRINGLE

AGRICULTURE/FAS:GSHANKLIN

AID/SER/COM:RZORN (SUBS)

WH:CCAVAGNARO (SUBS)

ARA:DSZABO

COMMERCE: TBREWER (SUBS)

S/S:WHLUERS

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R 170201Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY LIMA

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EO11652NA

TAGS: EAGR, ECON, PE

SUBJECT: VISIT TO WASHINGTON OF VICE MINISTER OF COMMERCE

REF: LIMA 3711 AND 3694

1. SUMMARY: JOSE NUNEZ DEL ARCO, DIRECTOR SUPERIOR OF MINISTRY OF COMMERCE, ARRIVED WASHINGTON MAY 13 AND INTENDS DEPART MAY 17. HIS SPECIFIC INTERESTS WERE LOCATING UREA FERTILIZER AT A GOOD PRICE AND THE POSSIBILITY OF OBTAINING CCC CREDITS FOR GRAINS AND VEGETABLE OIL. AT HIS REQUEST HE WAS BRIEFED ON METHODS OF REGULATING COMMERCE IN US AND FEDERAL CONSUMER PROTECTION PROGRAM. THROUGH USIA WE ALSO OFFERED NUNEZ MEDIA CONTACTS AND A VOA INTERVIEW. NUNEZ DECLINED BOTH OF THESE WITH TTHANKS.

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2. MR. GEORGE SHANKLIN, ACTING GENERAL SALES MANAGER OF THE FOREIGN AGRICULTURAL SERVICE, DISCUSSED CCC CREDITS WITH MR. NUNEZ. NUNEZ SAID THAT PERU WOULD LIKE CCC CREDIT TO BUY (FOR DELIVERY IN THE SECOND HALF OF 1974) 200,000 METRIC TONS (MT) OF WHEAT (THIS WOULD INCLUDE THE 100,000 MT WHICH PERU CAN PURCHASE THROUGH THE RECENTLY OFFERED LINE OF CCC CREDIT), 250,000 MT OF CORN AND 25,000 MT OF VEGETABLE OIL. MR. SHANKLIN SAID THAT IT WAS TOO EARLY TO MAKE A JUDGMENT ON THE AVAILABILITY OF US GRAINS, POINTING OUT THAT MUCH DEPENDS ON WHAT HAPPENS IN THE US AND ELSEWHERE. HE MADE THE POINT THAT A CROP

FAILURE IN ANY WHEAT-PRODUCING AREA OF THE WORLD COULD CREATE A CONTINUING TIGHT SITUATION WORLD-WIDE. HE ASSURED MR. NUNEZ THAT CONSIDERATION WOULD BE GIVEN TO PERU'S REQUEST AND THAT WE WOULD DO "THE BEST WE COULD" FOR THEM. MR. SHANKLIN RAISED THE AVAILABILITY OF PERUVIAN FISHOIL (MR. NUNEZ SAID HE KNEW NOTHING ABOUT FISHOIL SALES) AND THE WHEAT DEAL WITH CANADA. MR. SHANKLIN THEN EXPLORED WHETHER THE INCREASED PROJECTED PERUVIAN REQUIREMENTS FOR GRAINS AS STATED BY MR. NUNEZ REFLECTED INCREASES IN PERUVIAN CONSUMPTION OR POSSIBLY AN INTEREST IN STOCKPILING. MR. NUNEZ WAS UNCLEAR ON THIS.

3. NUNEZ LATER MET WITH MESSRS. RALPH ZORN, MAXWELL HARWAY AND CHARLES JENKINS OF THE AID OFFICE OF COMMODITY MANAGEMENT TO DISCUSS UREA FERTILIZER. THERE WAS A LONG GENERAL DISCUSSION OF THE FERTILIZER MARKETPLACE AND OF GENERAL PRICE RANGES FOR FERTILIZER. NUNEZ WAS GIVEN A LIST OF FERTILIZER SUPPLIERS, AND AID OFFICIALS URGED THAT PERUTRY TO SEND A REPRESENTATIVE TO THE ANNUAL MARKETING MEETING OF THE FERTILIZER INSTITUTE TO BE HELD JUNE 9 - 10, 1974 AT GREENBRIAR, WEST VIRGINIA. AT THIS MEETING PERUVIANS COULD MEET THE WIDEST POSSIBLE RANGE OF FERTILIZER SUPPLIERS FROM THE US AND ABROAD. IN ADDITION, MUCH FERTILIZER IS TRADED AT THIS ANNUAL MEETING; THEREFORE, IT WOULD BE HELPFUL IF PERUVIAN REPRESENTATIVE AT MEETING WERE IN A POSITION TO DEAL FOR PERU. ANNUAL MEETING OF THE FERTILIZER INSTITUTE IS HEAVILY BOOKED. MR. NUNEZ ASKED FOR USG ASSISTANCE IN HAVING A PERUVIAN REP LIMITED OFFICIAL USE

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ATTEND. OFFICE OF COMMODITY MANAGEMENT WILL TRY TO HELP IN THIS REGARD BUT IS NOT A MEMBER OF THE INSTITUTE. MR. NUNEZ BELIEVES THAT PERU HAS JUST BOUGHT SOME UREA FERTILIZER FROM EXXON, AN INSTITUTE MEMBER. HE WAS URGED TO ASK EXXON TO HELP HAVE PERU INVITED AS VALUED CUSTOMER. NUNEZ ALSO MET WITH DR. WHITE, VICE PRESIDENT AND TECHNICAL EXPERT AT THE FERTILIZER INSTITUTE. MR. NUNEZ DID NOT RAISE THE QUESTION OF AID FINANCING OR CONCESSIONAL TERMS

FOR FERTILIZER PROCUREMENT.

4. MR. SZABO, ARA DEPUTY ASSISTANT SECRETARY, MET WITH MR. NUNEZ TO DISCUSS ASPECTS OF THE EBERLE VISIT TO PERU. NUNEZ EXPRESSED AN INTEREST IN THE PROGRESS OF THE TRADE REFORM ACT (TRA) IN THE CONGRESS. MR. SZABO DESCRIBED THE CURRENT SITUATION FACING THE TRA, EXPRESSING HIS VIEW THAT DESPITE DIFFICULTIES FACING THE TRACONGRESS WILL ENACT A TRADE BILL THIS YEAR.

5. IN VIEW OF MR. NUNEZ'S INTEREST IN CONSUMER PROTECTION, HE MET WITH MR. CHARLES CAVAGNARO, DIRECTOR FOR INTERNATIONAL AND FIELD SERVICES OF THE WHITE HOUSE OFFICE

OF CONSUMER AFFAIRS. THE DISCUSSION WAS GENERAL AS MR. NUNEZ WAS UNFAMILIAR WITH CONSUMER PROBLEMS. HE WAS GIVEN CONSIDERABLE LITERATURE CONCERNING THE ACTIVITIES OF THE OFFICE OF CONSUMER AFFAIRS AS WELL AS BACKGROUND ON WHAT OTHER COUNTRIES ARE DOING IN THIS FIELD. HE WAS MADE AWARE OF THE FACT THAT THE EEC AND OECD HAVE DEVOTED SOME ATTENTION TO THESE PROBLEMS AND MIGHT POSSIBLY BE OF SOME ASSISTANCE TO PERU. MR. NUNEZ EXPRESSED PARTICULAR INTEREST IN CONSUMER PROBLEMS OF LOW-INCOME FAMILIES AS WELL AS IN THE CONSUMPTION OF GOODS BANNED FOR USE IN THE US BUT WHICH NEVERTHELESS ARE STILL AVAILABLE ABROAD. MR. NUNEZ SAID HE WOULD STUDY THE LITERATURE AND MIGHT SEEK FURTHER INFORMATION FROM THE OFFICE OF CONSUMER AFFAIRS THROUGH OUR EMBASSY IN LIMA.

6. TO DISCUSS INTERNAL COMMERCE IN THE US, MR. NUNEZ MET WITH MR. RICHARD SMOOT, ACTING DEPUTY DIRECTOR OF THE BUREAU OF DOMESTIC COMMERCE, DEPARTMENT OF COMMERCE. THE DISCUSSION WAS GENERAL AND TOUCHED ON THE VARIOUS CONTROL LIMITED OFFICIAL USE

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MECHANISMS OVER US INTERNAL COMMERCE AS WELL AS ON THE TWENTY-FIVE REGULATORY AGENCIES WITH RESPONSIBILITIES IN THIS AREA. MR. NUNEZ EXPRESSED CONSIDERABLE INTEREST IN THE DATA COLLECTING ACTIVITIES OF THE BUREAU OF THE CENSUS AND IN THE OFFICE OF BUSINESS RESEARCH (FORECASTS AND ANALYSES OF SHORT-SUPPLY ITEMS AND RECOMMENDATIONS FOR DEALING WITH THESE PROBLEMS THROUGH EITHER NEW LEGISLATION OR CONTROLS OF SOME TYPE). MR. NUNEZ SAID THAT HE WOULD LIKE TO SEND PERUVIAN TECHNICIANS TO OBSERVE AND PERHAPS TRAIN IN THESE TWO BUREAUS IN THE FIELDS OF DATA COLLECTION METHODS AND TYPES OF ANALYSES PERFORMED. HE SAID THAT HE WOULD DISCUSS THIS WITH EMBASSY LIMA.

7. MR. NUNEZ TOLD THE DESK THAT ALTHOUGH HE WOULD HAVE LIKED MORE CONCRETE RESULTS FROM HIS VISIT, HE WAS MOST

PLEASED WITH THE PROGRAM PREPARED FOR HIM AND WITH THE RESULTS OF HIS DISCUSSIONS. THE PERUVIAN EMBASSY ALSO EXPRESSED ITS SATISFACTION AND THANKS. RUSH

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